

NORTH DAKOTA PUBLIC SERVICE COMMISSION
April 24, 2002

**Montana-Dakota Utilities Co., a Division of
MDU Resources Group, Inc.
May 2002
Purchased Gas Adjustment-Natural Gas**

**PU-399-02-179
Filed 04/11/2002**

SUMMARY OF PROPOSAL:

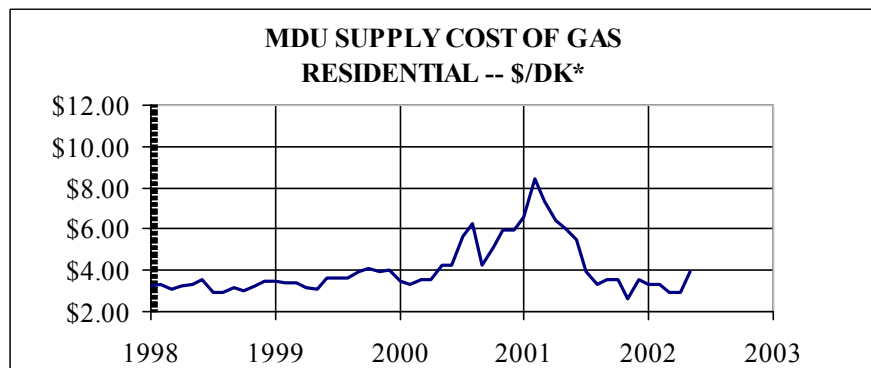
For gas bills issued during May 2002, MDU is increasing its purchased gas adjustment by \$1.008 per dekatherm for residential and firm general service customers. This changes the current purchased gas adjustment from negative \$.749 per dk to \$.259 per dk.

The change in the purchased gas adjustment for residential customers results from:

- \$1.075 per dk increase in the commodity cost of gas
- \$.054 per dk decrease for other changes in pipeline rates
- \$.013 per dk decrease due to a change in the annually "Unrecovered Purchased Gas Cost" surcharge adjustment effective May 1.
- \$.001 per dk increase due to a change in the margin sharing provision on 50% of the non-gas commodity revenues received from small and large interruptible sales in excess of the authorized level.

The resulting supply cost of gas for May usage is \$3.928.

The Department of Energy's Energy Information Administration reports that, although storage levels at the end of the heating season are much higher than average, the recent cold snap as well as uncertainties in the level of domestic economic recovery, level of gas usage for electric generating plants, world oil market stability, and gas drilling rig activity have raised predicted prices. Additionally, 2003 gas prices are expected to be higher than the current year's average projected price..



This PGA change will increase the May bill for a typical residential customer with usage of 4.0 dk by \$4.03. There were 83,128 MDU customers in North Dakota as of February 28, 2001.

The Department of Energy's (DOE) Energy Information Administration (EIA) provides various publications on energy issues. The information is available on the EIA's website: <http://www.eia.doe.gov>.

M O T I O N

April 24, 2002

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May 2002
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Case No. PU-399-02-179

I move the Commission approve Montana-Dakota Utilities Co.'s Natural Gas
Purchased Gas Adjustment for May 2002, Case No. PU-399-02-179.

PJF/sdh